

Michigan Department of Transportation
Rail Operations and Infrastructure Expenditures
PA 166 of 2020 Section 704
January 28, 2021

The Rail Operations and Infrastructure line item in the Michigan Department of Transportation's (MDOT) FY2020-2021 appropriation bill, 2020 PA 166, funds a number of individual programs and activities, ranging from passenger rail operating assistance to capital and maintenance activities on the 665 miles of state-owned rail lines to a program to enhance economic development through investments in rail infrastructure.

The line item is funded with \$72,538,000 in state Comprehensive Transportation Fund (CTF) dollars, and also provides the authority to spend federal, local and private dollars, as well as monies held in the Rail Freight Fund, should they become available. At this time, while we will be expending federal grant dollars, no local or private dollars are anticipated to be available for expenditure. Commitments from the Rail Freight Fund have not been determined, so this initial report reflects only the CTF allocation.

Only a small amount of the FY2021 CTF appropriation has already been obligated. This is largely due to uncertainty surrounding the magnitude of the need for Amtrak operating assistance. Projections have been firmed up over the past month and the recently-enacted second round of Federal stimulus funding also helped give us a better idea of the needs for FY2021. That will allow other project obligations to fall in place as well. The remaining capital projects are expected to be firmed up over the next several months. Freight economic development projects are awarded as applications are received, reviewed and approved.

Details about funds already obligated, together with the Department's best estimates for future activity, are reflected on the following page. The bulk of the funding will continue to be used to support passenger rail service in Michigan.

Rail Operations and Infrastructure - FY2021

	Obligations as of 1/31/2021	Planned FY2021 Obligations
Passenger Rail Operating		
Amtrak - operating assistance	\$0	\$22,000,000
Midwest States equipment (multi-state contract)	\$0	\$10,000,000
Grand Rapids station track inspection	\$36,400	\$36,400
State-Owned Line Maintenance (Kalamazoo-Dearborn)		
MI Line maintenance	\$4,581,673	\$4,581,673
MI Line insurance	\$12,101	\$1,200,000
MI Line utilities	\$500,000	\$500,000
State-Owned Line Bridge Improvements (all lines)		
Hallett Street bridge reconstruction (Hillsdale)	\$2,523,000	\$2,523,000
WSP - bridge engineering	\$31,248	\$31,248
TBD bridge improvements	\$0	\$1,700,000
Michigan Line Capital		
TBD capital improvements	\$0	\$5,054,228
Freight Lines Capital		
TBD capital improvements	\$0	\$1,500,000
Freight Economic Development Program		
Chippewa County EDC	\$1,020,000	\$1,020,000
Pro-V Group, LLC (Dearborn)	\$198,580	\$198,580
Star of the West Milling Company (St. Clair County)	\$36,075	\$36,075
additional funding to complete prior projects	\$38,702	\$38,702
TBD freight economic development projects	\$0	\$2,706,643
Miscellaneous		
grant match - Michigan Line projects	\$0	\$15,300,000
UP Propane Rail Freight Study	\$14,922	\$14,922
Quandel - FRA Grant Management	\$196,529	\$196,529
Lake State Railway - grant match assistance	\$3,000,000	\$3,000,000
Detroit New Center - replacement study	\$48,418	\$500,000
Detroit New Center - ADA improvements	\$0	\$400,000
	\$12,237,648	\$72,538,000
TOTAL CTF APPROPRIATION		\$72,538,000